

Procurement and Commissioning Network E-alert

New Procurement Thresholds effective from 1 January 2022 - 31 December 2023

On 1 November 2021, the Minister for the Cabinet Office laid The Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2021 (the Regulations) before Parliament.

The Regulations update the financial thresholds applicable to public procurements under the Public Contracts Regulations 2015.

From 1 January 2022, the following increased threshold amounts will apply:

Contract Type	Current threshold Net of VAT	New threshold Inclusive of VAT	New threshold Before VAT
Supplies/ Services (Central Government)	£122,976	£138,760	£111,008
Supplies/ Services (Sub- Central CAs)	£189,330	£213,477	£170,782
Works	£4,733,252	£5,336,937	£4,269,550

The threshold for Schedule 3 Light Touch Regime contracts has not been changed. However if the current rate (£663,540) is now inclusive of VAT, the new threshold without VAT will be £530,832.

The threshold for the CCR 2016 has increased from £4,733,252 to £5,336,937 (£4,269,550 Before VAT).

You will note that the new thresholds are inclusive of VAT (due to the UK's obligations under the WTO). I have given you figures in the final column to compare with the current levels (hopefully my calculations are correct). This means that more procurements will be caught from 1 January 2022 and shall require FTS advertisement.

Please disseminate this update throughout your teams and the CPR's will need to be updated.

Any queries, please do not hesitate to contact: **Mohamed Hans**

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